

AGENDA: January 19, 2017

TO: Regional Transportation Commission
FROM: George Dondero, Executive Director
RE: Director's Report

THIS ITEM FOR INFORMATION ONLY

New Transportation Funding Proposals

On January 10, 2017, Governor Brown released his state budget proposal. As promised in November, Governor Brown once again included a proposal to address some of the backlog of transportation funding needs. On December 5, 2016, the first day of the new legislative session, Senator Beall and Assembly Member Frazier, chairs of the Senate and Assembly transportation committees, introduced updated transportation funding proposals SB 1 and AB 1, respectively. All three proposals combine elements of proposals that have been floated in the legislature over the past two years.

These proposals and other legislative issues will be discussed in detail at the February 2 RTC meeting as key elements of our 2017 Legislative Program and Priorities.

Senate committee holds confirmation hearing for DOT nominee

Elaine Chao, President-elect Trump's nominee for Secretary of Transportation, testified before the Senate Commerce Committee this week, the first step toward receiving confirmation in the full Senate.

Chao, a veteran of both Bush Administrations and wife of Senate Majority Leader Mitch McConnell (R-KY), offered few specifics but many promises of cooperation, as she cruised easily through her confirmation hearing. Democrats on the Committee made it clear they have no objections to her, suggesting that she will be easily confirmed in a full Senate vote.

With most of the spotlight focused on President-Elect Trump's major infrastructure overhaul, Chao promised to keep Senators informed of emerging plans, indicating that a task force for infrastructure investment would be convened soon. She offered few funding solutions, but expressed strong support for more public-private partnerships, pointing out the potential capital available from equity firms, pension funds and endowments.

In one of the more surprising moments of the hearing, Chao signaled that the incoming administration would be supportive of direct federal spending on transportation. "I believe the answer is yes," Chao said when pressed by Sen. Cory Booker (D-N.J.) on the issue. Trump has long promised to rebuild the nation's crumbling infrastructure, but so far has only floated a \$1 trillion package that relies solely on private companies to back transportation projects.

Fiscal conservatives have been reluctant to support massive federal spending on infrastructure. Instead, Republicans prefer to use private-sector dollars to address the country's transportation needs.

Chao said that she would try — but couldn't promise — to share details with the panel about Trump's infrastructure proposal within the next 30 days.

"The pay-fors for any infrastructure proposal are challenging, and all have their particular champions and detractors," Chao said. "There will be continuous and constant dialogue [with Congress], for the very simple reason we cannot do this alone."

Chao spent much of the hearing promising to learn more about drones, fuel efficiency standards, air traffic control services and many other subjects that will soon be part of her portfolio.

Measure D Update

While your agenda today includes an administrative item to approve executing agreements with the State Board of Equalization to collect new Measure D taxes on behalf of the Regional Transportation Commission starting in April, staff will provide a more detailed update about Measure D implementation at your February 2 meeting, including information about the 30-year implementation plan, direct allocations to fund recipients, fiscal, and administration activities. In addition, RTC staff will participate in two endeavors between now and your February meeting:

- An all-day workshop with newly-approved self help counties (Santa Cruz, Monterey, Merced and Stanislaus), as well as already established self help counties to share resources, lessons learned, and best practice components.
- Discussions with entities to receive direct Measure D allocations -- including local jurisdictions, the Metro Transit District and Community Bridges – to introduce draft guidelines and agreements including requirements for a 5-year Program of Projects, public hearings, "maintenance of effort", performance measures and fiscal requirements.

TRB Trip Report

I was in Washington, D.C. last week for the annual meeting of the Transportation Research Board, and to meet with our representatives on Capitol Hill. As the largest gathering of transportation professionals and researchers on the planet, TRB again broke past attendance records as 13,700 people participated. I will provide a report on the trip at the February 2 RTC meeting.